

COMMONWEALTH of VIRGINIA

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

FAMIS MOMS and FAMIS Select Section 1115 Demonstration Amendment

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Section 1. Historical Narrative Summary of the Demonstration

Section 1.1. Introduction

On October 25, 2019, the Centers for Medicare and Medicaid Services (CMS) approved a ten-year extension of Virginia's Section 1115 Children's Health Insurance Program (CHIP) demonstration ("Demonstration"), Virginia Family Access to Medical Insurance Security (FAMIS) MOMS and FAMIS Select (Project No. 21-W-00058/3).¹ Under the approved Special Terms and Conditions (STCs), the Commonwealth of Virginia ("the Commonwealth") provides CHIP coverage to pregnant women with incomes up to 205 percent of the federal poverty level (FPL) through the 60-day postpartum period.² Pregnant women who are eligible for this coverage include those who are lawfully residing immigrants and those with access to state employees' health benefit coverage. The Demonstration also authorizes FAMIS Select, private or employer-sponsored insurance (ESI) premium assistance for families with children in FAMIS, Virginia's CHIP program. Enrollment in FAMIS Select is voluntary, based on informed choice regarding the implications of choosing premium assistance in lieu of direct CHIP state plan coverage.

On November 18, 2020, Governor Ralph Northam signed into law the 2020 Special Session I Virginia Acts of Assembly, Chapter 56, directing the Department of Medical Assistance Services (DMAS) to seek federal approval to cover pregnant women with incomes between 138 and 205 percent of the FPL for up to 12-months postpartum.³

The Commonwealth is seeking an amendment to the Demonstration to provide coverage for 12-months postpartum for pregnant women with incomes below 205 percent of the FPL who are currently not eligible to transition to another coverage group postpartum. This change will improve continuity of coverage and access to care for Medicaid and CHIP-enrolled women during the critical postpartum period. Through this amendment, Virginia will have the opportunity to evaluate whether 12-month postpartum coverage will reduce maternal and infant mortality and morbidity, improve health outcomes for both the mother and the infant, and advance health equity.

Section 1.2. Background

Despite the majority of maternal deaths being preventable, in 2018, there were approximately 17 maternal deaths per 100,000 live births in the United States – the highest maternal mortality rate among developed countries.⁴ In 2014, more than 50,000 women in the United States experienced

¹ Virginia FAMIS MOMS and FAMIS *Select* Section 1115 Demonstration (effective through June 30, 2029). Available at https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/va/va-famis-moms-famis-select-ca.pdf.

² FAMIS MOMS coverage is the same as that provided to pregnant women under the Medicaid state plan (i.e., the Medicaid prenatal benefit package).

³ 2020 Special Session I Virginia Acts of Assembly, Chapter 56. Available at https://budget.lis.virginia.gov/get/budget/4283/HB5005/.

⁴ CDC. Vital Signs: Pregnancy-Related Deaths, United States, 2011–2015, and Strategies for Prevention, 13 States, 2013–2017. Available at https://www.cdc.gov/mmwr/volumes/68/wr/mm6818e1.htm; CDC. Maternal Mortality in the United States: Changes in Coding, Publication, and Data Release, 2018. Available at https://www.cdc.gov/nchs/data/nvsr/nvsr69/nvsr69-02-508.pdf; and The Commonwealth Fund. Maternal Mortality and Maternity Care in the United States Compared to 10 Other Developed Countries. Available at https://www.commonwealthfund.org/publications/issue-briefs/2020/nov/maternal-mortality-maternity-care-us-compared-10-countries.

severe maternal morbidity – nearly a 200 percent increase since 1993.⁵ The maternal mortality and morbidity crisis is disproportionately impacting women of color, with non-Hispanic Black women 2.5 times more likely to suffer a pregnancy-related death than non-Hispanic white women, and 3.1 times more likely to suffer a pregnancy-related death than Hispanic women.⁶ Similarly, considerable racial and ethnic disparities are present in pregnancy-related morbidity, with non-Hispanic Black and American Indian/Alaska Native women experiencing significantly higher rates of severe maternal morbidity than non-Hispanic white women.⁷ The COVID-19 pandemic has further exacerbated existing health disparities, and is expected to contribute – both directly and indirectly – to increased rates of maternal mortality and morbidity for women and infants of color.⁸

Addressing the high rates of maternal mortality and morbidity, particularly for those racial and ethnic groups most affected, is a top public health priority of the Commonwealth. In 2019, Governor Ralph Northam announced a goal to eliminate racial disparities in the state's maternal mortality rate by 2025 and codified through House Bill 2546 the Commonwealth's Maternal Mortality Review Team. These initiatives were, in part, driven by the Virginia Department of Health's findings that Black women in the state are more than twice as likely to die from pregnancy-related causes as compared to white women, largely tracking trends at the national level. Data from the Maternal Mortality Review Team also suggests that the majority of pregnancy-associated deaths in the state occur more than 43 days after pregnancy. Despite these concerning statistics, the Commonwealth – like most other states – currently provides only 60 days postpartum coverage to pregnant women enrolled in Medicaid and CHIP who do not meet eligibility criteria to transition to another coverage group. The Commonwealth has a tremendous opportunity to address through its Medicaid program adverse health outcomes for pregnant women and infants by expanding postpartum coverage to 12 months. Although Virginia's 2019 Medicaid expansion has enabled more women to benefit from continued Medicaid coverage before and after their pregnancies, a coverage gap still exists for women who are not eligible to transition into the new adult coverage at the end of their 60 days postpartum. In November 2020, Virginia policymakers took action to address this coverage gap with a provision in the state budget directing DMAS to seek federal authority to extend coverage for pregnant women for up to 12-months postpartum.

As the COVID-19 pandemic continues to amplify social and economic stressors on individuals and families, Medicaid's role in improving health outcomes for women and infants is more essential than ever. In 2018, Medicaid financed nearly half of all births nationally, and covered a greater share of births in rural areas as well as among Hispanic, Black, and American Indian/Alaska Native women. ¹⁰ As compared to women enrolled in private coverage, Medicaid-enrolled pregnant women are more likely to have had a preterm birth, a low birthweight baby, and certain chronic conditions – putting them at

 $\underline{\text{https://www.cdc.gov/reproductivehealth/maternalinfanthealth/severematernalmorbidity.html\#anchor\ how.}$

 $^{^{\}rm 5}$ CDC. Severe Maternal Morbidity in the United States. Available at

⁶ CDC. Maternal Mortality in the United States: Changes in Coding, Publication, and Data Release, 2018. Available at https://www.cdc.gov/nchs/data/nvsr/nvsr69/nvsr69-02-508.pdf.

⁷ Racial and Ethnic Disparities in the Incidence of Severe Maternal Morbidity in the United States, 2012-2015. Available at https://pubmed.ncbi.nlm.nih.gov/30303912/.

⁸ CDC. COVID-19 Cases, Hospitalizations, and Deaths, by Race/Ethnicity. Available at https://www.cdc.gov/coronavirus/2019-ncov/downloads/covid-data/hospitalization-death-by-race-ethnicity.pdf.

⁹ Governor Northam Announces Goal to Eliminate Racial Disparity in Virginia Maternal Mortality Rate by 2025. Available at https://www.governor.virginia.gov/newsroom/all-releases/2019/june/headline-840941-en.html; and House Bill 2546. Available at https://lis.virginia.gov/cgi-bin/legp604.exe?191+sum+HB2546.

¹⁰ MACPAC. Medicaid's Role in Financing Maternity Care. Available at https://www.macpac.gov/wp-content/uploads/2020/01/Medicaid%E2%80%99s-Role-in-Financing-Maternity-Care.pdf.

higher risk for poor maternal outcomes. ¹¹ Furthermore, despite the fact that approximately one third of maternal deaths in the United States take place one week to 12 months after delivery, many women lose coverage very soon after giving birth due to the limitation in mandatory Medicaid coverage to a 60-day postpartum coverage period. ¹²

A substantial body of research has established Medicaid as a powerful tool for addressing maternal mortality and morbidity and reducing racial and ethnic disparities. For example, women in Medicaid expansion states experienced seven fewer maternal deaths per 100,000 live births as compared to women in non-expansion states; and Black women in states that expanded experienced 16 fewer deaths per 100,000 live births than in non-expansion states. ¹³ The positive impacts of extending Medicaid coverage to postpartum women also translate to better outcomes for their children – resulting in coverage gains, better access to care, and improved health and development outcomes. A 2018 study found that the decline in infant mortality was more than 50 percent greater in states that expanded Medicaid than in non-expansion states, and the declines were most significant among Black infants. ¹⁴ Other studies have found Medicaid expansion to be associated with better birth outcomes (for Black infants in particular), and concluded that children are 29 percentage points more likely to have an annual well-child visit if their parents are enrolled in Medicaid. ^{15,16} Access to health insurance by means of a postpartum coverage extension would align mothers' coverage with that of their infants, providing continuity of care and improving care coordination during the crucial postpartum period.

Indeed, there is broad agreement among national researchers, providers, and policymakers for extending eligibility for Medicaid and CHIP enrolled pregnant women from 60 days postpartum to 12-months postpartum. Notably, the CDC defines the postpartum period as 12 months after delivery; and the American Medical Association, the American Academy of Family Physicians, the Society for Maternal-Fetal Medicine, state maternal mortality review committees, health plans, and consumer advocacy groups, alike, recommend extending Medicaid coverage to 12-months postpartum. ¹⁷ In 2018, the American College of Obstetricians and Gynecologists issued guidance calling for the extension of postpartum care into the "fourth trimester" and the provision of certain postpartum services, such as

¹¹ MACPAC. Access in Brief: Pregnant Women and Medicaid. Available at https://www.macpac.gov/wp-content/uploads/2018/11/Pregnant-Women-and-Medicaid.pdf.

¹² CDC. Vital Signs: Pregnancy-Related Deaths, United States, 2011–2015, and Strategies for Prevention, 13 States, 2013–2017. Available at https://www.cdc.gov/mmwr/volumes/68/wr/mm6818e1.htm.

¹³ Women's Health Issues. Adoption of Medicaid Expansion Is Associated with Lower Maternal Mortality. Available at https://www.whijournal.com/article/S1049-3867(20)30005-0/fulltext.

¹⁴ American Journal of Public Health. Medicaid Expansion and Infant Mortality in the United States. Available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5844390/.

¹⁵ Georgetown University Health Policy Institute. Medicaid Expansion Fills Gaps in Maternal Health Coverage Leading to Healthier Mothers and Babies. Available at https://ccf.georgetown.edu/2019/05/09/medicaid-expansion-fills-gaps-in-maternal-health-coverage-leading-to-healthier-mothers-and-babies/.

¹⁶ The Center on Budget and Policy Priorities. Expanding Medicaid for Parents Improves Coverage and Health for Both Parents and Children. Available at https://www.cbpp.org/research/health/expanding-medicaid-for-parents-improves-coverage-and-health-for-both-parents-and.

¹⁷ CDC. Pregnancy Mortality Surveillance System. Available at https://www.cdc.gov/reproductivehealth/maternal-mortality/pregnancy-mortality-surveillance-system.htm; and Making the Case for Extending Medicaid Coverage Beyond 60 Days Postpartum: A Toolkit for State Advocates. Available at https://static1.squarespace.com/static/5ed4f5c9127dab51d7a53f8e/t/5ee12b312ecd4864f647fe67/1591814991589/State+White+Paper+061020-V6.pdf.

management of chronic conditions, screening for mental health disorders, and breastfeeding support. ¹⁸ More recently, the Medicaid and CHIP Payment and Access Commission (MACPAC) recommended that Congress require states to extend Medicaid and CHIP coverage to 12-months postpartum at a 100 percent federal matching rate. ¹⁹

Recent findings from Virginia's Maternal Mortality Review Team underscore the need for sustained coverage and improved care coordination for women at risk of pregnancy-associated death, and for Medicaid-enrolled women specifically. In a 2019 report, the Team presented evidence that incomplete healthcare coverage before or after pregnancy contributed to maternal mortality in Virginia. Some 45 percent of women who died with a chronic condition had public insurance that only provided coverage during pregnancy and the six weeks postpartum, and over 62 percent of these deaths occurred between 43 and 365 days after the pregnancy ended. The Team also found that a lack of care coordination contributed to maternal mortality in a significant number of cases, particularly among women with chronic health conditions. This is an important health equity consideration, as the Commonwealth's historical data indicates that chronic disease is more likely to be a contributing factor in maternal death for Black women than for white women.²⁰

Given the alarming maternal mortality and morbidity crisis in the state and a growing recognition of the importance of continuity of coverage and access to care during the intensely vulnerable postpartum period, the Commonwealth seeks to improve health outcomes for postpartum women and their infants and advance health equity by providing Medicaid and CHIP coverage for 12-months postpartum.

Section 1.3 Demonstration Goals

The Commonwealth is requesting an amendment to the Demonstration to extend coverage to 12-months postpartum, on a continuous basis, to pregnant and postpartum women with incomes below 205 percent of the FPL who are not eligible for another coverage group, to:

- Reduce maternal and infant mortality and morbidity in the Commonwealth;
- Improve health outcomes for postpartum Medicaid and CHIP enrolled women and their infants; and
- Advance health equity by reducing racial and ethnic disparities in maternal mortality and morbidity and children's health outcomes.

The Commonwealth has designed this Demonstration amendment to promote the objectives of the Medicaid program by improving the health and wellbeing of low-income individuals and families in the state.

Section 2. Description of Changes Included in the Demonstration

The Commonwealth proposes a Section 1115 Demonstration amendment to extend postpartum coverage for 12-months in Medicaid and CHIP, as this option is not currently available through a State Plan Amendment (SPA) or other federal authority. The Commonwealth will continue all existing Demonstration features under the Section 1115 Demonstration amendment and is not requesting any

 ¹⁸ The American College of Obstetricians and Gynecologists. Optimizing Postpartum Care. Available at https://www.acog.org/clinical/clinical-guidance/committee-opinion/articles/2018/05/optimizing-postpartum-care.
 ¹⁹ MACPAC. January 2021 MACPAC Public Meeting. Available at https://www.macpac.gov/public meeting/january-202

¹⁹ MACPAC. January 2021 MACPAC Public Meeting. Available at https://www.macpac.gov/public_meeting/january-2021-macpac-public-meeting/.

²⁰ Chronic Disease in Virginia Pregnancy Associated Deaths, 1999-2012: Need for Coordination of Care. Available at https://www.vdh.virginia.gov/content/uploads/sites/18/2019/08/MMRT-Chronic-Disease-Report-FINAL-VERSION.pdf.

changes to these features under this amendment.

Section 2.1 Demonstration Eligibility

This Demonstration amendment will provide continuous postpartum coverage to 12 months for the eligibility groups included in the below table. An individual who is deemed eligible will maintain coverage for the duration of 12 months from the date of delivery, regardless of what point in the postpartum period they enroll in coverage.

Table 1: Medicaid Eligibility Groups Affected by the Demonstration

Eligibility Group	Federal Citations	Income Level
Medicaid Pregnant and Postpartum Women	SSA § 1902(e)(5)	138 – 148% FPL
	42 CFR §435.116	
CHIP Pregnant and Postpartum Women	SSA § 2112(b)(2); SSA §	148 – 205% FPL
(Including Lawfully Residing Immigrants – i.e.,	2212(f)(2); 42 CFR §457	
Children's Health Insurance Program		
Reauthorization Act (CHIPRA) 214 Pregnant	SSA §1903(v)(4);	0 – 205% FPL
Women Over the Age of 18)	SSA §2107(e)(I)(J)	

Eligibility for the extended postpartum period is determined by the date the birth takes place. After the conclusion of the continuous 12-month postpartum period, the Commonwealth will redetermine eligibility. There is no enrollment limit under this proposal.

Section 2.2 Demonstration Benefits and Cost Sharing

As noted above, FAMIS MOMS coverage is the same as that provided to pregnant women under the Medicaid state plan. Under this Demonstration amendment, the Medicaid and CHIP benefit package will remain aligned. At this time, the Commonwealth is not requesting any changes to the benefit packages, as full benefit coverage is essential to meeting the needs of the state's postpartum women, including treating chronic conditions, addressing physical and behavioral health needs, and ensuring access to needed medications. No cost sharing is requested under this Demonstration amendment, as pregnant women are exempt from such requirements.

Section 2.3 Delivery System

The Demonstration will utilize the current statewide fee-for-service (FFS) and managed care delivery systems. ²¹ Enrollees may be enrolled in FFS prior to being enrolled into managed care to enable plan choice. Once enrolled in managed care, the state's managed care organizations (MCOs) will deliver services to postpartum enrollees.

Section 3. Demonstration Implementation

Specific implementation target dates depend on policy negotiations with and waiver approval by CMS. The Commonwealth is seeking to implement the postpartum coverage extension on a statewide basis as

²¹ FAMIS MOMS receive health care services primarily through the managed care delivery system. Initially, benefits are provided on a FFS basis until the pregnant woman is enrolled in a managed care plan.

soon as possible and no later than January 1, 2022, subject to the timing of CMS' approval. The term of this amendment will align with the current Demonstration period, which continues through June 30, 2029. Recognizing the need for systems and operational changes, the Commonwealth will begin planning efforts and actively engage stakeholders concurrent with STC negotiations.

Section 4. Requested Waivers and Expenditure Authorities

Table 2: Virginia Waiver and Expenditure Authority Requests

Waiver/Expenditure Authority	Use for Waiver/Expenditure Authority	Currently Approved?
SSA §1902(a)(10)(A) and 1902(e)(5) and (6)	To the extent necessary, to extend eligibility for pregnant women from 60 days postpartum to 12-months postpartum, implement continuous eligibility for the entire postpartum period, and enroll women in the appropriate Medicaid or FAMIS pregnant women category of eligibility throughout the entire 12-month postpartum period.	No
42 CFR § 435.4	To define pregnant women through 12-months postpartum instead of 60 days postpartum.	No

Section 5. Financial Data

Section 5.1 Estimated Enrollee and Budgetary Impact

The Commonwealth will include in the final Demonstration amendment projections for the number of women expected to receive 12-months postpartum coverage each year. For the purposes of public notice and comment, the Commonwealth has summarized in the table below the projected enrollment and expenditures for the amendment.

Table 3: Projected Enrollment and Cost Impact of Demonstration Amendment

	DY22	DY23	DY24	DY25
Total member months	9,143	14,425	14,756	15,012
Federal cost (Non-General Funds)	\$2,490,925	\$4,027,756	\$4,243,596	\$4,447,545
State cost (General Funds)	\$1,341,267	\$2,168,792	\$2,285,013	\$2,394,832

	DY26	DY27	DY28	DY29
Total member months	15,230	15,460	15,693	15,929
Federal cost (Non-General Funds)	\$4,647,417	\$4,859,080	\$5,080,281	\$5,311,381
State cost (General Funds)	\$2,502,455	\$2,616,427	\$2,735,536	\$2,859,975

DY = Demonstration Year (July 1 through June 30)

DMAS expects that demonstration costs, including the additional expenditures attributable to the amendment, will remain below Virginia's annual federal Title XXI/CHIP allotment for the duration of the demonstration renewal period. The Commonwealth will update this application to include a description of its approach to demonstrating federal budget neutrality prior to submitting to CMS.

Virginia will use General Revenue Funds to fund the state share of the postpartum extension. This funding is authorized through the budget bill that includes the postpartum coverage extension.

Section 6. Evaluation

The Commonwealth intends to continue all evaluation activities for existing Demonstration features consistent with its revised draft evaluation plan (currently under review by CMS). The evaluation plan and annual and semi-annual reports will be modified to incorporate new measures for the additional Demonstration features. Additional evaluation hypotheses for the new Demonstration features are included in the table below.

Table 4: Evaluation Hypotheses Under Consideration

Hypothesis	Evaluation Approach	Data Sources
Extending postpartum coverage to 12 months in Medicaid and CHIP will reduce disparities and advance health equity for postpartum women and their infants.	Analyze coverage gaps and outcomes.	 Eligibility and enrollment data. Statistics from the Commonwealth's Maternal Mortality Review Team and other sister agencies. Member satisfaction surveys.
Extending postpartum coverage to 12 months in Medicaid and CHIP will reduce the rate of maternal mortality and morbidity.	Analyze the maternal mortality rate pre/post implementation. Analyze service utilization pre/post implementation.	 Eligibility and enrollment data. MCO performance reporting metrics on care coordination. Statistics from the Commonwealth's Maternal Mortality Review Team and other sister agencies. Utilization and claims data.
Extending postpartum coverage to 12 months in Medicaid and CHIP will increase family planning and birth spacing for postpartum women.	Analyze utilization of family planning services.	 Utilization and claims data. Member satisfaction surveys. Eligibility and enrollment data.
Extending postpartum coverage to 12 months in Medicaid and CHIP will improve health outcomes for infants born to these women.	Analyze diagnoses and health outcomes for infants of postpartum women in the Demonstration.	 Utilization and diagnosis data. Statistics from the Commonwealth's Maternal Mortality Review Team and other sister agencies.
Extending postpartum coverage to 12 months in Medicaid and CHIP will increase access to medical and behavioral health	Analyze utilization of medical and behavioral health services and treatment.	 Utilization and claims data. Addiction and Recovery Treatment Services (ARTS) data.

Hypothesis	Evaluation Approach	Data Sources
services and treatments for postpartum women and their infants.		 Provider billing data and data from MCOs. Statistics from the Department of Behavioral Health and Developmental Services and other sister agencies.
Extending postpartum coverage to 12 months in Medicaid and CHIP will promote continuous coverage and continuity of care for postpartum women and their infants.	Analyze enrollment trends, coverage gaps, and utilization of services.	 Eligibility and enrollment data. Evaluation survey data. Utilization and diagnosis data. MCO reporting.
Extending postpartum coverage to 12 months in Medicaid and CHIP will improve care coordination for postpartum women and their infants.	Analyze coverage outcomes and member utilization, diagnoses, and self-reported health.	 MCO performance reporting metrics on care coordination. Eligibility and enrollment data. State and national survey data. Utilization and diagnosis data.
Extending postpartum coverage to 12 months in Medicaid and CHIP will increase the rate of well-child visits and appropriate immunizations among infants of postpartum women.	Analyze utilization of well- child visits and appropriate immunizations.	 Utilization and diagnosis data. Healthcare Effectiveness Data and Information Set (HEDIS) reporting. MCO and provider data/reporting.

Upon approval of this Demonstration amendment, the Commonwealth will work with CMS to develop an evaluation design plan consistent with the STCs and CMS policy. The plan will include managed care plan performance metrics (to the extent necessary) with targets determined by the state in collaboration with sister agencies, MCOs, and other stakeholders. The Commonwealth continues to focus on its collection of race, ethnicity, and language data, while ensuring the accuracy of that data, and aims to leverage it in future Demonstration years to further evaluate racial and ethnic disparities in maternal mortality and morbidity. The evaluation of this Demonstration will be conducted by an independent evaluator.